

House File 250 - Introduced

HOUSE FILE 250

BY CARLIN, McKEAN, and FISHER

A BILL FOR

1 An Act providing a property assessment adjustment and a
2 property tax adjustment for certain property of persons
3 who have attained the age of sixty-five, applying income
4 limitations, providing a penalty, and including retroactive
5 and other applicability provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 425B.1 Homestead assessed value
2 adjustment — purpose.

3 Persons who own their homesteads and who meet the
4 qualifications provided in this chapter are eligible for
5 an adjustment in the assessed value of their homesteads or
6 an adjustment of the amount of taxes levied against their
7 homestead, as provided in this chapter, to prevent an increase
8 in such values or an increase in the amount of taxes levied.

9 Sec. 2. NEW SECTION. 425B.2 Definitions.

10 As used in this chapter, unless the context otherwise
11 requires:

12 1. "*Assessed value*" means the actual value prior to any
13 adjustment pursuant to section 441.21, subsection 4.

14 2. "*Base assessment year*" means the assessment year
15 beginning in the base year.

16 3. "*Base year*" means the calendar year last ending before
17 the claim is filed.

18 4. "*Claimant*" means a person filing a claim for adjustment
19 under this chapter who has attained the age of sixty-five years
20 on or before December 31 of the base year and is domiciled in
21 this state at the time the claim is filed or at the time of the
22 person's death in the case of a claim filed by the executor or
23 administrator of the claimant's estate.

24 5. "*Homestead*" means the same as defined in section 425.11.

25 6. "*Household*", "*household income*", and "*income*" mean the
26 same as defined in section 425.17.

27 7. "*Owned*" means owned by an owner as defined in section
28 425.11.

29 Sec. 3. NEW SECTION. 425B.3 Right to file a claim.

30 The right to file a claim for an assessed value adjustment
31 under this chapter may be exercised by the claimant or on
32 behalf of a claimant by the claimant's legal guardian, spouse,
33 or attorney, or by the executor or administrator of the
34 claimant's estate. If a claimant dies after having filed a
35 claim for adjustment, the amount of any adjustment shall be

1 made as if the claimant had not died.

2 Sec. 4. NEW SECTION. **425B.4 Claim for adjustment.**

3 1. Subject to the limitations provided in this chapter,
4 a claimant may annually claim an adjustment of the assessed
5 value of the claimant's homestead for the base assessment year.
6 The adjustment claim shall be filed with the county assessor
7 between January 1 and February 15 immediately following
8 the close of the base assessment year. However, in case of
9 sickness, absence, or other disability of the claimant, or
10 if in the judgment of the county assessor good cause exists,
11 the county assessor may extend the time for filing a claim for
12 adjustment through June 30 of the same calendar year.

13 2. The county assessor shall notify the department of
14 revenue by March 1 of the number of claimants receiving
15 adjustments under this chapter and the total amount of the
16 reduced assessed values for the base assessment year.

17 Sec. 5. NEW SECTION. **425B.5 Adjustment — maximum tax**
18 **dollars levied.**

19 1. If the income qualification specified in subsection 2
20 is met, the assessed value of the claimant's homestead in the
21 base assessment year shall be adjusted, but not increased,
22 to equal the assessed value, as such assessed value may have
23 been adjusted pursuant to this chapter, in the assessment year
24 preceding the base assessment year. If the amount of property
25 taxes levied against the adjusted assessment exceeds the amount
26 of property taxes levied against the property in the fiscal
27 year for which taxes were first levied against an adjusted
28 assessment under this chapter, the treasurer shall subtract the
29 difference from the amount due. The adjustments to assessed
30 value and to the amount of property taxes levied shall not be
31 construed to be exemptions or credits within the meaning of
32 section 25B.7.

33 2. A claimant is eligible for an adjustment to the assessed
34 value of the claimant's homestead if the claimant's household
35 income is less than thirty thousand dollars in the base year.

1 Sec. 6. NEW SECTION. **425B.6 Administration.**

2 The director of revenue shall make available suitable forms
3 for claiming an assessed value adjustment with instructions
4 for claimants. Each assessor and county treasurer shall make
5 available the forms and instructions. The claim shall be in a
6 form as the director may prescribe.

7 Sec. 7. NEW SECTION. **425B.7 Proof of claim.**

8 1. Every claimant shall give the department of revenue, in
9 support of the claim, reasonable proof of:

10 *a.* Age.

11 *b.* Changes of homestead.

12 *c.* Size and nature of the property claimed as the homestead.

13 *d.* Household income.

14 2. The director of revenue may require any additional proof
15 necessary to support a claim.

16 Sec. 8. NEW SECTION. **425B.8 Audit — denial.**

17 If on the audit of a claim for adjustment under this
18 chapter, the director of revenue determines the claim is not
19 allowable, the director shall notify the claimant of the denial
20 and the reasons for it. The director shall not deny a claim
21 after three years from October 31 of the year in which the
22 claim was filed. The director shall give notification to the
23 county assessor of the denial of the claim and the county
24 assessor shall instruct the county treasurer to proceed to
25 collect the tax that would have been levied on the applicable
26 adjusted assessed value in the same manner as other property
27 taxes due and payable are collected, if the property on which
28 the adjustment was granted is still owned by the claimant.
29 However, if the claim was incorrectly allowed due to a clerical
30 error, error by a person other than the claimant, or an
31 innocent misrepresentation by or on behalf of the claimant, the
32 proceedings to collect the tax shall be limited to the taxes
33 due and payable in the twelve months immediately preceding the
34 disallowance.

35 Sec. 9. NEW SECTION. **425B.9 Waiver of confidentiality.**

1 1. A claimant shall expressly waive any right to
2 confidentiality relating to all income tax information
3 obtainable through the department of revenue including all
4 information covered by sections 422.20 and 422.72. This waiver
5 shall apply to information available to the county assessor who
6 shall hold the information confidential except that it may be
7 used as evidence to disallow the assessed value adjustment.

8 2. The department of revenue may release information
9 pertaining to a person's eligibility or claim for or receipt of
10 the assessed value adjustment to an employee of the department
11 of inspections and appeals in the employee's official conduct
12 of an audit or investigation.

13 **Sec. 10. NEW SECTION. 425B.10 False claim — penalty.**

14 A person who makes a false affidavit for the purpose of
15 obtaining an adjustment in assessed value provided for in
16 this chapter or who knowingly receives the adjustment without
17 being legally entitled to it or makes claim for the adjustment
18 in more than one county in the state without being legally
19 entitled to it is guilty of a fraudulent practice. The claim
20 for adjustment shall be disallowed in full and property tax
21 shall be levied on the disallowed adjustment at the rate that
22 would have been levied but for the adjustment. The director of
23 revenue shall send a notice of disallowance of the claim.

24 **Sec. 11. NEW SECTION. 425B.11 Notices, appeals, and**
25 **rules.**

26 To the extent not otherwise contrary to the provisions of
27 this chapter:

28 1. Section 423.39, subsection 1, shall apply to all notices
29 under this chapter.

30 2. Any person aggrieved by an act or decision of the
31 director of revenue or the department of revenue under this
32 chapter shall have the same rights of appeal and review as
33 provided in section 423.38 and the rules of the department of
34 revenue.

35 3. A claim for adjustment shall be disallowed if the

1 department finds that the claimant or a person of the
2 claimant's household received title to the homestead primarily
3 for the purpose of receiving benefits under this chapter.

4 4. The department of revenue shall adopt rules pursuant to
5 chapter 17A to administer and interpret this chapter, including
6 rules to prevent and disallow duplication of benefits and to
7 prevent any unreasonable hardship or advantage to any person.

8 Sec. 12. APPLICABILITY. This Act applies retroactively to
9 January 1, 2017, for assessment years beginning on or after
10 that date and to the filing of claims on or after January 1,
11 2018, for adjustments of assessed values.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with
14 the explanation's substance by the members of the general assembly.

15 This bill provides for an adjustment in the assessed value of
16 a homestead, as defined in the bill, if the owner is a person
17 who is 65 or older and who has household income of less than
18 \$30,000 per year. If the qualifications established in the
19 bill are met, the assessed value of the homestead upon which
20 property taxes are levied in a fiscal year is the same assessed
21 value as for the previous fiscal year. The bill specifies that
22 the assessed value is that value prior to any rollback being
23 applied.

24 The bill further provides that if the amount of property
25 taxes levied against the adjusted assessment exceeds the amount
26 of property taxes levied against the property in the fiscal
27 year for which taxes were first levied against an adjusted
28 assessment under the bill, the county treasurer is required to
29 subtract such difference from the amount due. The adjustments
30 to assessed value and to the amount of property taxes levied
31 under the bill shall not be construed to be exemptions or
32 credits within the meaning of Code section 25B.7.

33 The bill provides that a person who makes a false affidavit
34 for the purpose of obtaining an adjustment, knowingly receives
35 the adjustment without being legally entitled to it, or makes

1 claim for the adjustment in more than one county without being
2 legally entitled to it is guilty of a fraudulent practice and
3 is subject to a criminal penalty.

4 The bill applies retroactively to January 1, 2017, for
5 assessment years beginning on or after that date and applies to
6 claims filed on or after January 1, 2018, for the adjustments.